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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 003479

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SUBJECT: NSC SECRETARY GENERAL CHIOU I-JEN ON ANTI-CHEN
PROTESTS AND DOMESTIC POLITICAL SITUATION

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

11. (C) Summary: NSC Secretary General Chiou I-jen told the Director on October 11 that President Chen was "a little angry" over the disruptive protests launched against him by pan-Blue legislators at the October 10 national day ceremony. Chen had agreed to participate in the ceremony, against the advice of the National Security Bureau, only after Legislative Yuan speaker Wang Jin-pyng (KMT) had assured him that such protests would not occur. According to Chiou, the continuing demonstrations calling for President Chen to step down are not producing the intended result, but rather are causing DPP supporters and the party to rally around Chen. Nonetheless, Chiou predicted, Shih Ming-te will continue his campaign against President Chen, even if the forthcoming prosecutor's report exonerates the President. Chiou characterized the current domestic situation as "delicate" because of maneuvering by various political leaders. End Summary.

12. (C) The Director, accompanied by DDIR and notetaker, discussed Taiwan's domestic political situation with National Security Council Secretary General Chiou I-jen on October 11. This meeting followed the October 10 national day ceremonies, during which a group of opposition pan-Blue legislators displayed banners and shouted slogans against President Chen, who was delivering his national day address. Also on October 10, an estimated 124,000 protesters representing the "Depose Chen Shui-bian" campaign led by Shih Ming-te, demonstrated against President Chen outside the police perimeter surrounding the Presidential Office area (Septel).

13. (C) Chiou noted that Legislative Yuan (LY) President Wang Jin-pyng (KMT) had coordinated with the KMT LY caucus, the Shih Ming-te campaign and others, and believed he had assurances that there would be no disruptive protests at the October 10 national day ceremony, for which Wang serves as chairman. On the basis of these assurances, Wang persuaded President Chen, against the strong recommendation of the National Security Bureau, to participate in the October 10 ceremony. There were several possible explanations for the

protest by a group of pan-Blue legislators and others during President Chen's speech. One was that Wang had misled President Chen. Another was that the pan-Blue politicians had violated their commitments to Wang. The most likely explanation was that Wang had underestimated the potential for such protest actions. President Chen was "a little angry" as well as surprised by the chaos, after having received Wang Jin-pyng's assurances, but he had calmed down quickly in time for his subsequent meeting with the foreign heads of government who had attended the ceremony.

14. (C) Chiou observed that the anti-Chen demonstrations, which began September 9, are not producing the results hoped for by protest leaders and are having only a small effect on government functioning. The number of protesters on October 10 was down significantly from a march on September 15 (estimated by the police to be over 300,000), he pointed out, adding that such demonstrations do not pose a serious problem for the government. Ironically, one effect of Shih's campaign and of Taipei Mayor (and KMT Chairman) Ma Ying-jeou's toleration for its non-stop activities has been to consolidate support for President Chen within the DPP. Shih's campaign has caused DPP supporters to lose their patience and they have strongly pressed DPP legislators to speak out against Shih.

15. (C) Shih Ming-te will continue his campaign to pressure President Chen to step down, regardless of the results of the prosecutor's investigation of Chen and his wife Wu Shu-chen, Chiou predicted, citing Shih's character and the fact that Shih has already come to his own conclusions about President Chen. While the Presidential Office did have some contact

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with Shih at the beginning of his campaign, it no longer has such contacts. Even at the beginning, Shih was very tough, insisting he would negotiate only if Chen agreed to step down. The Presidential Office still has some indirect contacts with people close to Shih, Chiou added, and they understand that there are differences in the Shih movement leadership.

16. (C) Rather than the demonstrations themselves, it is the behind-the-scenes maneuvering and interactions among various political leaders that makes the current political situation quite delicate, Chiou said. These leaders include President Chen, Ma Ying-jeou, Wang Jin-pyng, and the four potential DPP presidential candidates: Premier Su Tseng-chang, Vice President Annette Lu, DPP Chairman Yu Shyi-kun, and Taipei mayoral candidate Frank Hsieh. Wang Jin-pyng, Chiou suggested, is using the current situation to present himself as a balancer, the only leader with the potential to play a middle role between opposing political forces. The possibility of Wang splitting with the KMT is low, Chiou observed, adding that Wang is very cautious and careful in calculating how much support he can gain from different sources.

17. (C) People First Party (PFP) Chairman James Soong hopes to benefit from participating in the demonstrations by showing himself as the real leader of the pan-Blue, someone who is tougher than Ma Ying-jeou, Chiou suggested. Ma, who has wavered in his position on the demonstrations, has declined in public opinion polls, and even some pan-Blue supporters are now openly complaining about him. James Soong is scheduled to finally announce on October 17 whether or not he will run for Taipei mayor. Soong would split the pan-Blue vote in Taipei, giving DPP candidate Frank Hsieh an opportunity. Hsieh is hoping to gain ground on front-runner KMT candidate Hau Long-bin by attacking Hau over scandals involving his father, former Premier Hau Pei-tsun. On the Kaohsiung mayoral race, Chiou noted that recent polling by the DPP and the media shows the gap between KMT candidate Huang Chun-ying and DPP candidate Chen Chu narrowing to just four percent. The DPP hopes to persuade Taiwan Solidarity Union (TSU) candidate Lo Chih-ming to withdraw, a move that

would help Chen Chu. While Lo seems to be wavering a bit, former President Lee Teng-hui is still encouraging Lo to stay in the race. Chiou added that the Presidential Office maintains contact with former President Lee through Secretary General Mark Chen.

Comment

18. (C) So far, as Chiou made clear, the anti-Chen protests have not posed a threat to Chen's presidency. The big question now is what the prosecutor's report will say about Chen and his wife Wu Shu-chen when it is released later this month and whether that could affect Chen's future. Unless the report is very damaging to President Chen, the DPP, including its legislators, will stand by their President despite his low popularity. DPP leaders do not believe President Chen's stepping down would help the party in upcoming elections and they do not want to face the inevitable infighting within the top ranks of the party that would follow such a move.

YOUNG